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JULY 10 2009

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Patent of: Hildreth, John

Serial. No.: 10/828,350

Issued: November 27, 2007

Patent No.: 7,299,596

For: Framing System

* * *

Petition To Stay Ownership Determination Pending Concurrent Litigation

Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Attention: Mail Stop Petitions

Dear Sir,

This Petition is further to the Petition to Expunge Recorded Assignment filed on June 9, 2009 by John J. Hildreth ("Hildreth").

Petitioner, Corsair Holdings, LLC, is the general partner of Corsair Special Situations Fund, L.P. ("Corsair") and hereby petitions the Commissioner to stay any further consideration related to ownership of issued patent 7,299,596 pending the resolution of ongoing litigation in the United States District Court for the District of Maryland (Northern Division) entitled Corsair Special Situations Fund, L.P. v. Engineered Framing Systems, Inc., et al.

Given that: (i) in the pending litigation Corsair has requested *inter alia* a determination of ownership; (ii) this determination could depend at least in part upon contract law, as the patent under consideration was pledged as collateral to Corsair in the form of a security interest in a First Amendment to Settlement Agreement and General Release; and (iii) this determination could depend at least in part upon the Uniform Commercial Code (UCC), as the UCC generally governs perfection of security interests; it is appropriate to stay Hildreth's request to expunge the recorded assignment.

Remarks begin on Page 3 of this paper.

The following Attachments are enclosed:

Attachment A: Settlement Agreement and General Release dated May 8, 2007

**Attachment B: First Amendment to Settlement Agreement and General Release; and Patent
Security Agreement**

Attachment C: April 11, 2008 Default Letter

Attachment D: Recorded Interests for Issued Patent 7299596

Attachment E: Assignment of Patent, and Affidavit of Charles E. Cheever

Remarks

I. Corsair Has Requested Determination of Ownership in Pending Litigation.

Corsair has filed a complaint for breach of contract, declaratory judgment and injunctive relief in the United States District Court for the District of Maryland (Northern Division) (*Corsair Special Situations Fund, L.P. v. Engineered Framing Systems, Inc., et al.*). Corsair has requested *inter alia* that the Court:

- a. determine and adjudicate the rights of the parties with respect to the First Amendment and, in particular, the ownership and licensing rights in the Patent;
- b. determine that Plaintiff Corsair is the lawful assignee and owner of the Patent and can assign the Patent or license the patented technology free and clear from any claims of John J. Hildreth;
- c. determine that Defendants John J. Hildreth, Engineered and Structures have no rights in the Patent or to use the patented technology;
- d. permanently enjoin Defendants John J. Hildreth, Engineered and Structures from utilizing the patented technology for construction projects;
- e. permanently enjoin Defendants John J. Hildreth, Engineered and Structures from representing to third-parties that Defendants have the right to use or license the patented technology in connection with construction projects and for any other purpose;
- f. award Plaintiff Corsair costs of these proceedings, including reasonable attorneys' fees; and
- g. award Plaintiff Corsair such other and further relief as justice and this cause may require.

Thus, whether or not it is appropriate to expunge the recorded assignment is directly affected by this pending litigation.

II. Considerations Related to Breach of Contract

In August 2006, Corsair commenced a legal action against Defendants Engineered, John J. Hildreth and Marie N. Hildreth in the United States District Court for the District of Maryland (Northern Division) styled *Corsair Special Situations Fund, L.P. v. Engineered Framing Systems, Inc., et al.*, Civil Action No. 06-CV-2081 (WDQ)(hereinafter "the Note Action"). At its core, the Note Action involved claims of breach of contract against each of the Defendants. At the time the Note Action was commenced, it was alleged that Defendants

Engineered, John J. Hildreth and Marie N. Hildreth were in default of a commercial loan obligation exceeding \$5,000,000.

In April 2007, Corsair filed a Motion for Summary Judgment in the Note Action, seeking the entry of judgment against Defendants in the amount of \$5,642,884.76.

In order to avoid the entry of judgment against them, Defendants agreed to settle the Note Action by entering into a Settlement Agreement and General Release dated May 8, 2007 (the "Settlement Agreement"). A copy of the Settlement Agreement is attached hereto as **Attachment A**.

The Settlement Agreement required Defendants to, among other things, make payments to Corsair totaling \$5,000,000 over the course of five (5) months, beginning in May 2007 and concluding with a balloon payment in September 2007.

Defendants failed to timely make the payments required under the Settlement Agreement. To date, Defendants made only the first two (2) payments totaling just \$125,000.

In December 2007, Corsair and the Defendants entered into a First Amendment to Settlement Agreement and General Release and a Patent Security Agreement (the "Amendment"). A copy of the Amendment is attached hereto as **Attachment B**.

As set forth in the express language of the First Amendment, Defendants acknowledged their inability to timely make the remaining payments due to Corsair totaling \$4,875,000.

Accordingly, Corsair and the Defendants adopted a new payment plan, spreading the payments out over a six (6) month period, beginning on January 31, 2008 and ending with a balloon payment due on June 30, 2008.

In addition, Defendants pledged additional collateral to Corsair in the form of a security interest in patent no. 7,299,596 (the "Patent") issued by the United States Patent and Trademark Office ("USPTO") to Defendant John J. Hildreth. The Patent claims as inventions the design of steel framed "shear wall" used for both residential and commercial construction.

Specifically, Defendants granted to Corsair the following:

- a. For good, valuable and sufficient consideration, John J. Hildreth hereby grants to Corsair a security interest in all rights, title and interest in and to the Patent and to any and all inventions and improvements described or claimed in the Patent, any and all foreign applications or filings of the Patent, all licenses, royalties,

damages, claims and payments now or hereafter due and/or payable under or with respect to the Patent including, without limitation, damages and payments for past and future infringements of the Patent (the "Intellectual Property") as collateral security for prompt payment of Engineered's present indebtedness as defined in the Settlement Agreement all as more fully set forth in a Patent Security Agreement of even date herewith from John J. Hildreth in favor of Corsair, a copy of which is set forth on Exhibit A which shall be executed simultaneously with this Amendment.

- b. The foregoing security interest is a present grant of a security interest and only upon the occurrence of the non-payment of any of the settlement amounts due under the Settlement Agreement as amended hereby, or any other default under the Settlement Agreement shall the security interest become an absolute assignment to Corsair or others, and Corsair is hereby granted an irrevocable power of attorney to so designate such absolute assignment on the records of the U.S. Patent and Trademark Office upon any such default.

First Amendment (emphasis supplied).

Defendants failed to make even a single payment due to Corsair pursuant to the First Amendment.

Defendants were also expressly required to produce to Corsair a *bona fide* commitment letter from a third-party lender or investor on or before March 31, 2008, and to produce to Corsair draft loan documents or documents reflecting a binding agreement to invest in Engineered or Structures on or before April 30, 2008.

Defendants never produced to Corsair either the binding commitment letter or the loan/investment documents.

As stated above, this First Amendment, includes a Patent Security Agreement. As expressly set forth therein, in the event of a default under the First Amendment, Corsair was granted the explicit right to "sell, assign, transfer, pledge, license, or encumber or otherwise dispose of the Patents" (emphasis added).

On April 11, 2008, Corsair declared Defendants to be in default of the First Amendment and gave Defendants ten (10) business days to cure the default. Defendants again failed to make even a single payment to Corsair to remedy their payment default. A true and correct copy of the April 11, 2008 letter is attached hereto as **Attachment C**.

III. Considerations Related to Security Interest

A. USPTO Recordation

Recorded Interests for Issued Patent 7299596 are set forth in **Attachment D**.

As shown, a security agreement executed on December 20, 2007 was recorded in the US PTO on December 26, 2007 at Reel/Frame 020279/0916.

On May 22, 2008, in accordance with its rights under the First Amendment, Corsair recorded an Assignment of Patent with the US PTO. This filing included an Assignment and an affidavit of Charles E. Cheever both attached hereto as **Attachment E**. The assignment was executed May 18, 2008, and was recorded in the US PTO on May 22, 2008 at Reel/Frame 021531/0036.

B. UCC Filings

A UCC Financing Statement was filed on February 1, 2005. This document lists Corsair Special Situations Fund, L.P. as the Secured Party and Engineered Framing Situations Inc. as the Debtor. This financing statement covered the following: "All assets and property of the Debtor, wherever located, whether now owned or hereafter acquired, including but not limited to the following: All real property and interests in real property, accounts, commercial tort claims, chattel paper, deposit accounts, documents, equipment, farm products, financial assets, fixtures, general intangibles, goods, instruments, inventory, investment property, letter of credit rights, and all supporting obligations and proceeds."

Further UCC Financing Statements were filed with the New Jersey Department of Commercial Recordings and with the Maryland State Department of Assessments & Taxation. Both of these documents were filed in May 2008. The financing statements list Corsair Special Situations Fund, L.P. as the Secured Party and John J. Hildreth as the Debtor. These UCC filings cover the following collateral:

All of Debtor's right, title and interest in and to all presently existing or hereafter arising or acquired patents or applications for patents, including, without limitation, patent number 7,299,596 issued on November 27, 2007 by the United States Patent and Trademark Office for patent application 10/828,350, which was filed on April 21, 2004, and further including, without limitation, (a) to or under any or all of the foregoing (i) any and all inventions and improvements described or claimed, (ii) divisions, continuations, continuations-in-part, reissues and extensions, (iii) income, royalties, damages, claims and payments now or hereafter due and/or payable, including

without limitation, damages and payments for past and future infringements, (iv) rights to sue for past, present and future infringements, and (v) all rights corresponding to any of the foregoing throughout the world, and (b) with respect to or under any or all of the foregoing, all general intangibles, and (c) with respect to or under any or all of the foregoing, all proceeds (cash and noncash).

C. Notice

Multiple warning and notice letters have been provided to Hildreth. This includes for example, a warning letter dated February 5, 2008 and a default letter allowing for 10 business days to cure, dated April 11, 2008.

This default letter was also sent to Ronald L. Tobia, prior counsel to Hildreth. Further, on September 3, 2008 a letter advising that Corsair had exercised its rights under the Patent Security Agreement and Settlement Agreement and taken an assignment of Patent No. 7,299,596 was sent to Ronald L. Tobia. Further related correspondence was sent to Ronald L. Tobia on September 17, 2008.

Similarly, related correspondence was sent to Thomas Vecchio, counsel to John J. Hildreth, on September 22, 2008. Further correspondences to Thomas Vecchio include a notice sent on April 21, 2009 where Mr. Vecchio was informed:

Your clients were formally notified of their default by letter dated April 11, 2008. Corsair hereby again notifies your clients that they are in DEFAULT and have ten (10) business days from receipt of this letter to cure their default. If payment of the entire settlement amount of \$4,875,000 is not received by Corsair on or before Friday, May 8, 2009, Corsair intends to move forward and attempt to sell Patent No. 7,299,596. Corsair expressly reserves all rights under the Settlement Agreement and General Release and the First Amendment.

This notice letter was also sent directly to John J. Hildreth.

Further, a notice sent to Thomas Vecchio on May 8, 2009 advised him that Corsair was planning to file in the United States District Court for the District of Maryland a Complaint that seeks, among other things, a declaration from the Court regarding the respective rights of Corsair in the patent.

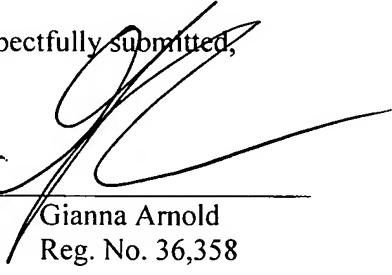
As stated above, this litigation is now pending.

IV. Conclusion

For the reasons set forth above, Corsair requests the Commissioner to stay any further consideration related to ownership of issued patent 7,299,596 pending the resolution of ongoing litigation in the United States District Court for the District of Maryland (Northern Division) entitled Corsair Special Situations Fund, L.P. v. Engineered Framing Systems, Inc., et al.

The US PTO is hereby authorized to charge to deposit account No. 50 1165 any required fees, including the petition fee and any other fees under 37 C.F.R. §§ 1.16 and 1.17 that may be required.

Respectfully submitted,

By 
Gianna Arnold
Reg. No. 36,358

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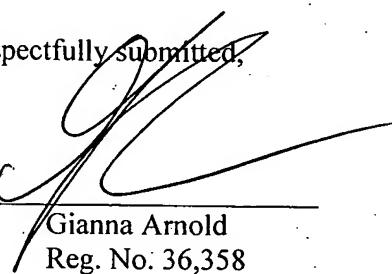
July 10, 2009

IV. Conclusion

For the reasons set forth above, Corsair requests the Commissioner to stay any further consideration related to ownership of issued patent 7,299,596 pending the resolution of ongoing litigation in the United States District Court for the District of Maryland (Northern Division) entitled Corsair Special Situations Fund, L.P. v. Engineered Framing Systems, Inc., et al.

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Respectfully submitted,

By 
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Reg. No. 36,358

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July 10, 2009

Attachment A

Settlement Agreement and General Release dated May 8, 2007

SETTLEMENT AGREEMENT AND GENERAL RELEASE

THIS SETTLEMENT AGREEMENT and GENERAL RELEASE (hereinafter "Settlement Agreement"), is made and entered into this 5th day of May, 2007, by and between CORSAIR SPECIAL SITUATIONS FUND, L.P., for itself and its directors, officers, shareholders, employees, predecessors, successors, assigns, affiliates and agents (collectively "Corsair"), ENGINEERED FRAMING SYSTEMS, INC., for itself and its directors, officers, shareholders, employees, predecessors, successors, assigns, affiliates and agents (collectively "Engineered"), John J. Hildreth and Marie Noelle Hildreth (the "Hildreths") and EPS STRUCTURES, INC., for itself and its directors, officers, shareholders, employees, predecessors, successors, assigns, affiliates and agents (collectively, "Structures") (collectively all signatories are referred to as the "Parties").

RECITALS

A. Corsair and Engineered entered into an Amended and Restated Loan and Security Agreement dated February 9, 2005 (the "Loan Agreement"), pursuant to which Corsair loaned \$3,250,000 to Engineered. Subsequently, Corsair and Engineered entered into a Loan Advance Agreement, Second Loan Advance Agreement, Third Loan Advance Agreement and Fourth Loan Advance Agreement, pursuant to which Corsair loaned an additional \$\$909,981.46 to Engineered (the "Loan Advance Agreements"). To date, Corsair has loaned \$4,315,414.15 to Engineered. At present, the total amount due and owing to Corsair under the Loan Agreement and Loan Advance Agreements presently is in excess of \$6,500,000 (the "Disputed Amount").

B. The Hildreths, pursuant to a Guaranty Agreement signed on February 9, 2005, unconditionally guaranteed to Corsair the full and prompt payments of all amounts due to Corsair from Engineered under the Loan Agreement and the Loan Advance Agreements.

C. Engineered stopped making payments to Corsair under the Loan Agreement in or about November 2005.

D. Corsair made demand upon the Hildreths on August 9, 2006 to honor their commitment under the Guaranty Agreement by immediately paying and satisfying Engineered's outstanding indebtedness to Corsair.

E. On August 15, 2006, Corsair commenced a legal action against Engineered and the Hildreths in the United States District Court for the District of Maryland, titled *Corsair Special Situations Fund, L.P. v. Engineered Framing Systems, Inc., et al.*, Civil Action No. WDQ 06-CV-2081 (the "Note Action").

F. On October 11, 2006, Shaun F. Carrick and Heidi A. Hansan, acting in their capacity as Substitute Trustees under an Indemnity Deed of Trust given by the Hildreths to Corsair to secure repayment of the Corsair loans, instituted a foreclosure action against the Hildreths in the Circuit Court for Howard County, Maryland, styled *Shaun F. Carrick, et al. v. John J. Hildreth, et ux.*, Case No. 13-C-06-066941 (the "Foreclosure Action").

G. Engineered and the Hildreths have denied liability to Corsair in the Note Action based upon legal defenses to the alleged default and these defenses are being pursued in the Note Action.

H. In or about May 2006, unbeknownst to Corsair, Engineered caused to be established a new corporate entity, Structures, in the State of New Jersey. Since its formation, John J. Hildreth has served as the General Manager of Structures. Structures performs the same services and utilizes the same plant space in Curtis Bay, Maryland as Engineered. Structures also utilizes many of the same management staff and laborers previously utilized by Engineered. In lieu of litigation between Corsair, Engineered, the Hildreths, and Structures, Structures has agreed to become a party to the Agreement since its General Manager, John Hildreth, has certain patents pending and proprietary assets that are now securing the loan from Corsair to Engineered. Structures desires to use said pending patents and proprietary assets without fear of protracted litigation by Corsair on every project.

I. The Parties desire to enter into this Settlement Agreement and resolve any and all disputes, claims, and possibilities of litigation regarding the Note Action and the Foreclosure Action, as well as to amicably and finally resolve any and all claims existing between them.

AGREEMENT

NOW THEREFORE, in consideration of the mutual covenants contained herein, and other good and sufficient consideration, the receipt of which is hereby acknowledged, and the foregoing Recitals, the Parties agree to the following terms of settlement in full and final satisfaction of any and all claims or potential claims by and between or among the Parties to this Settlement Agreement arising directly or indirectly from or out of the Loan Agreement, Loan Advance Agreements, and Guaranty Agreement, or any other matter, claim, or dispute between the Parties so as to avoid the expense, inconvenience, and/or litigation concerning any claim, breach, or damage without the admission of liability by any of the Parties whatsoever.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and intending to be mutually bound hereby, the Parties hereto agree as follows:

1. **Incorporation of Recitals.** The Recitals to this Settlement Agreement are incorporated by reference herein.

2. **Effective Date of this Settlement Agreement.** This Settlement Agreement shall be effective as of the last date of execution as appears hereafter, which date shall be on or before May 8, 2007.

3. **Warranties.**

(a) The Parties warrant and represent that they have been fully informed and have full knowledge of the terms, conditions and effects of this Settlement Agreement.

(b) The Parties warrant and represent that they have, personally or through their attorney, fully investigated, to such party's full satisfaction, all facts surrounding the various claims, controversies and disputes, and are fully satisfied with the terms and effects of this Settlement Agreement.

(c) The Parties warrant and represent that no promise, representation or inducement has been offered or made except as herein set forth, and that this Settlement Agreement is executed without reliance upon any statement or representation by any other party or his agent.

(d) The Parties warrant that no other person or entity has any interest in any of the claims referred to in this Settlement Agreement or to any of the agreements referenced in this Settlement Agreement and that they have not sold, assigned, transferred, conveyed or otherwise disposed of any claims, judgments, demands, obligations, or causes of action referred to in this Settlement Agreement and that each of the Parties' representatives have legal capacity to execute this Settlement Agreement in all respects.

4. **Payment.** (a) Engineered, Structures and the Hildreths hereby jointly and severally agree to pay Corsair the following amounts:

| <u>Amount</u> | <u>Due Date</u> |
|---------------|--|
| \$50,000 | Upon signing of Settlement Agreement (which will occur no later than May 8, 2007) |
| \$75,000 | June 15, 2007 |
| \$75,000 | July 15, 2007 |
| \$4,800,000 | September 1, 2007 |

It is expressly understood by the Parties that time is of the essence in this Settlement Agreement (see § 6) and a failure to timely make any one (1) of the foregoing payments is a breach of this agreement thereby triggering the provisions set forth in § 4(b) of this agreement. It is also expressly understood that if Corsair is forced to disgorge by operation of law or by order of court or otherwise any one or all of the payments made hereunder, this entire Agreement shall be null and void *ab initio* and the Parties shall be returned to their respective litigation positions which existed immediately prior to the execution of this Agreement, subject to § 13 herein.

(b) Upon signing this Agreement (i) the Parties shall file a joint stipulation with the United States District Court for the District of Maryland seeking to stay the claims in the Note Action presently pending against Engineered, Structures and the Hildreths, (ii) Corsair shall forebear from taking any further action on the Writs of Attachment issued by the Clerk of the Court on April 27, 2007, and (iii) Corsair shall withdraw its presently pending foreclosure sale, scheduled to be held on May 9, 2007 in the Foreclosure Action. If Engineered, Structures and/or the Hildreths default on any of their obligations herein, including their joint and several payment obligations set forth herein, then this Agreement shall be null and void *ab initio* and (i) the Note Action (if the Court has agreed to a stay) shall immediately be activated and the Parties shall be returned to their respective positions therein as of the date immediately preceding the execution of this Agreement and as if this Agreement had never been executed, (ii) Corsair shall be entitled to take any and all action(s) it deems necessary or appropriate, in its sole discretion, with respect to the Writs of Attachment, and (iii) Corsair shall proceed with the foreclosure sale. In the event of any default by Engineered, Structures and/or the Hildreths of any of the obligations set forth herein, any payments made pursuant to this Agreement shall be applied by Corsair to unpaid interest under the Loan Agreement and the acceptance of such payments by Corsair shall not be deemed an election of remedies thereby precluding Corsair from continuing forward with the

Note Action, taking any action on the Writs of Attachment, or continuing forward with the Foreclosure Action. It is expressly agreed that if the Note Action (including, without limitation, exercise of the Writs of Attachment) and/or Foreclosure Action are re-activated, the parties have not waived any of their respective rights and/or obligations under the Loan Agreement, Loan Advance Agreements, or Guaranty Agreement.

(c) Upon the indefeasible payment to Corsair of \$5,000,000 in immediately available funds, Corsair shall dismiss the Foreclosure Action and the claims presently pending against Engineered, Structures and the Hildreths in the Note Action.

(d) While the obligation to make the payments set forth herein is joint and several among Engineered, Structures and the Hildreths, payments actually made hereunder shall be deemed to have been made by Structures.

5. **Timing of Execution of Settlement Agreement.** The Parties agree that time is of the essence and that this Settlement Agreement shall be signed by all Parties hereto on or before May 8, 2007.

6. **Delivery of Commitment Letter and Loan Documents.** Engineered, Structures and the Hildreths agree to produce to Corsair a bona fide Commitment Letter from a third-party lender or investor on or before July 15, 2007, reflecting a commitment on the part of the third-party lender or investor to fund, at a minimum, the final payment due under this Agreement. Engineered, Structures and the Hildreths further agree to produce draft loan documents or documents reflecting a binding agreement to invest in Engineered or Structures on or before August 1, 2007.

7. **General Release.** Upon the indefeasible payment to Corsair of \$5,000,000 in immediately available funds by Engineered, Structures and/or the Hildreths and subject to and immediately upon satisfaction of all other terms and conditions in this Settlement Agreement, the Parties remise, release and forever discharge, and by this Settlement Agreement for their predecessors and successors, agents, insureds, servants, employees, heirs, executors, administrators, trustees, joint venturers, subsidiaries, predecessors, parent companies, and assigns, remise, release and forever discharge each other and all other signatories to the agreements hereinafter identified to any and all obligations under the Loan Agreement, Loan Advance Agreements, and Guaranty Agreement; and all of the respective Parties' agents, affiliates, subsidiaries, servants, employees, shareholders, employers, stockholders, officers, directors, members, partners, associates, insurers, administrators, parent companies, successors or assigns, of and from all and every manner of acts and actions, cause and causes of action, controversies, agreements, promises, damages, judgments, executions, claims, fees, expenses and demands whatsoever, in law or in equity, which against either of the Parties the other party ever had, now has, or their respective heirs, personal representatives, successors or assigns, hereinafter can, shall or may have for, upon or by reason of any matter, cause or thing whatsoever, known and unknown, relating in any respect to the matters more particularly described in the Recitals and the claims set forth herein, and any damages arising in any respect thereto, at any time in the future, for any such allegations, claims, acts or breaches.

8. **No Liability Admitted.** Each party understands and agrees that this Settlement Agreement is a compromise and settlement of disputed claims; that acceptance of any benefits pursuant to this Settlement Agreement is intended merely to terminate the present controversy and to avoid present and/or future litigation with respect to the subject matter or any other matter between the Parties arising directly or indirectly out of the matters herein released, and that payment or acceptance of benefits under this Settlement Agreement is not to be construed as an admission of liability or an acquiescence by any party to the claims and allegations of the other Parties.

9. **No Representation of Fact or Opinion by Released Parties.** The Parties acknowledge that no representation of fact or opinion has been made by any other party to this Settlement Agreement to induce this compromise with respect to the extent or nature of any damages or as to the likelihood of future damages, and that the consideration set forth herein is solely by way of compromise of disputed claims, and to foreclose all possibility of any future claims based upon acts, errors or omissions which occurred prior to the date of this Settlement Agreement, whether known or unknown, and that in determining said consideration, there has been taken into consideration the fact that unexpected consequences may result, known or unknown, and it is therefore, specifically agreed that this Settlement Agreement shall be a complete bar to all claims or suits for damages of whatsoever nature, except those arising from a breach of this Settlement Agreement.

10. **Insolvency Proceedings.**

10.1 From and after the date of this Settlement Agreement, if at any time Engineered, Structures and/or the Hildreths file a voluntary petition(s) for relief under title 11 of the United States Code (the "Bankruptcy Code"), or are the subject of an involuntary petition(s) under the Bankruptcy Code that is not dismissed prior to the entry of an order for relief, or become the subject of a state law insolvency proceeding or receivership that is not dismissed within sixty (60) days of the commencement of such proceeding (any of which are hereinafter referred to as an "Insolvency Proceeding") and (x) Corsair has not been paid in full in accordance with the terms of this Settlement Agreement, or (y) Corsair is sued by any party for any reason in such Insolvency Proceeding, then this Settlement Agreement shall be null and void *ab initio* and Corsair shall be entitled to assert the entire Disputed Amount in such Insolvency Proceeding.

10.2 From and after the date of this Settlement Agreement, if at any time (x) this Settlement Agreement or any payment, or a portion thereof, or performance of any obligation made by or for the account of Engineered, Structures and/or the Hildreths on account of any of the indebtedness, liabilities and/or other obligations arising hereunder, is set aside in an Insolvency Proceeding or otherwise (including, without limitation, as a result of any dissolution, liquidation or reorganization of Engineered, Structures and/or the Hildreths upon, or as a result of, the appointment of any receiver, intervenor or conservator of, or trustee, or similar officer for Engineered, Structures or the Hildreths or any substantial part of their properties or assets) for any reason, including, without limitation, as a voidable preference or fraudulent conveyance, or must otherwise be restored or returned by Corsair to Engineered, or (y) Corsair is sued by any party for any reason in an Insolvency Proceeding or otherwise, then no release shall be granted by Corsair to Engineered, Structures and/or the Hildreths (whether pursuant to section 7 of this Settlement Agreement or otherwise).

11. **Engineered, Structures and the Hildreths Warranties and Representations.** Engineered, Structures and the Hildreths hereby warrant and represent as follows:

- (a) As of the date of this Settlement Agreement, Engineered, Structures and the Hildreths are not the subject of a federal or state bankruptcy, insolvency, assignment for the benefit of creditors, receivership, trustee or similar proceedings;
- (b) Engineered, Structures and the Hildreths warrant that they have fully disclosed and accurately represented to Corsair the existence of their assets and the state of their finances;

- (c) Engineered, Structures and the Hildreths intend and acknowledge that Corsair's entry into this Settlement Agreement and other consideration to Engineered, Structures and the Hildreths herein constitutes "contemporaneous new value" granted to Engineered, Structures and the Hildreths within the meaning of 11 U.S.C. § 547(c)(1);
- (d) Engineered, Structures and the Hildreths have received reasonably equivalent value and fair consideration for the transfer of payments due under this Settlement Agreement and the Parties entry into this Settlement Agreement;
- (e) Engineered, Structures and the Hildreths are not insolvent, as defined by 11 U.S.C. § 101(32) or applicable state law, and transfer of the payments due to Corsair under this Settlement Agreement will not render them insolvent; and
- (f) Monies, if any, transferred to Engineered, Structures and the Hildreths from any third party for the purpose of facilitating payments to Corsair hereunder were received in exchange for valid and fair consideration given by Engineered, Structures and the Hildreths to such third person and any such third person advancing or otherwise providing such funds to Engineered, Structures and the Hildreths is (i) presently paying his, or its, debts as they become due; (ii) solvent, on a balance sheet basis; (iii) not bankrupt or otherwise financially troubled; and (iv) is not advancing or providing such funds to Engineered, Structures and the Hildreths, with actual intent to hinder, delay or defraud the creditors of such transferor.

12. **No Waiver.** Solely and exclusively to pursue a claim against AJD, the Parties acknowledge that Corsair, in its ongoing efforts to collect all amounts due and owing under the Loan Agreement and Loan Advance Agreements, has brought claims against AJD in the Note Action. Corsair's agreement to compromise and settle its claims against Engineered, Structures and the Hildreths shall in no way constitute either a waiver of any right, power or privilege granted to Corsair under the Loan Agreement, Loan Advance Agreements, and/or the Guaranty Agreement, or an extinguishment of the entire Disputed Amount. The Parties hereby acknowledge that Corsair can and will continue to maintain its action against AJD for amounts due from AJD, which amount shall not exceed the difference between the total payments to be made pursuant to this agreement and the Disputed Amount.

13. **Structures Acceptance of Obligations.** Structures hereby acknowledges and agrees that it is the successor-in-interest to Engineered and is obligated, individually, collectively, jointly and severally, to Corsair for the obligations of Engineered as set forth in the Loan Agreement and Loan Advance Agreements as an original signatory to the Loan Agreement and Loan Advance Agreements, and the definition of "Borrower" in the Loan Agreement, Loan Advance Agreements and Guaranty Agreement is hereby modified to add Structures as a borrower therein. Corsair is hereby authorized, in accordance with the Loan Agreement, to file a UCC Financing Statement which, among other things, describes its collateral as all of the assets of Structures wherever located. Upon execution of this Settlement Agreement, Structures shall immediately notify Quantum Corporate Funding, Ltd. that it must terminate the UCC Financing Statement that it presently has on file regarding the assets of Structures (the "Quantum UCC"). Failure of the Quantum UCC to be terminated on or prior to ten (10) days after the date of this Settlement Agreement shall constitute a default by Engineered and Structures hereunder. THE ENTIRETY OF THIS SECTION 13 SHALL SURVIVE A DEFAULT BY ENGINEERED, STRUCTURES AND/OR THE HILDRETHS HEREUNDER, AND SHALL BE ADMITTED AS A FACT BY ENGINEERED, STRUCTURES AND/OR THE HILDRETHS IN THE NOTE ACTION IF SUCH ACTION IS REACTIVATED IN THE EVENT OF DEFAULT HEREUNDER.

14. **Interpretation and Presumptions.** This Settlement Agreement shall be construed without regard to any presumption or other rule regarding construction against the party causing the agreement to be drafted. This Settlement Agreement has been negotiated at arm's length and between and among sophisticated Parties, knowledgeable in the matters dealt with in this Agreement. Accordingly, none of the Parties hereto shall be presumptively entitled to have any provisions of this Settlement Agreement construed against the other hereto in accordance with any rule of law, legal decision, or doctrine, that would require interpretation of any ambiguities in this Settlement Agreement against the party that has drafted it. The provisions of this Settlement Agreement shall be interpreted in a reasonable manner to effect the purposes of the Parties hereto and this Settlement Agreement.

15. **Confidentiality.** The Parties agree to maintain the terms and conditions of this Agreement in strict confidence. Unless required by a court or agency of competent jurisdiction, the Parties shall not disclose any of the terms and conditions of this Agreement absent prior written consent of the Parties to this Agreement. Corsair will provide to Engineered, Structures and/or the Hildreths, on an as-needed basis, a letter indicating that the Parties have entered into this Agreement and that upon satisfaction of the terms and conditions of such Agreement, the litigation between the parties shall be dismissed. Corsair will confirm the terms of this Settlement Agreement in a letter to Engineered, which letter can be used by Engineered to make representations to a third party lender/investor.

16. **Costs and Attorney's Fees.** Each party hereto shall bear all attorney's fees, costs and disbursements arising from the actions and/or services of its own counsel in connection with the preparation of this Settlement Agreement.

17. **Headings.** The section titles, captions, and headings contained in this Agreement are inserted only as a matter of convenience and for reference, and shall in no way be construed to define, limit, or extend the scope of this Agreement or the effect of any of its provisions.

18. **Recitals.** The Recitals set forth at the beginning of this Agreement shall not be admissible to prove the truth of the matters asserted therein in any action or proceeding involving any of the Parties hereto (other than an action or proceeding brought to enforce the terms of this Agreement).

19. **Authorization.** Each of the Parties hereto represents and warrants that (i) it is fully authorized to enter into this Agreement, (ii) it has read and fully understands each of the provisions of this Agreement, (iii) it has relied on the advice and representation of legal counsel of its own choosing with respect to the matters set forth herein, (iv) it has legal capacity so as to comprehend the nature and terms of this Agreement, (v) it has signed the Agreement voluntarily, without any duress or undue influence on the part, or on behalf, of any party, and (v) the terms of this Agreement are contractual and not merely recitals.

20. **Unenforceability.** Any provision herein prohibited or rendered unenforceable by local, state or federal law shall be ineffective only to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this document.

21. **Entire Agreement and Integrated Agreement.** This Settlement Agreement is intended by the Parties hereto as a final expression of their agreement and is intended to be a complete and exclusive statement of the agreement and understanding of the Parties hereto with respect to the subject matters contained herein. This Settlement Agreement supersedes any and all prior promises, representations, warranties, agreements, understandings, and undertakings between or among the Parties hereto with respect to such subject matters and there are no

promises, representations, warranties, agreements, understandings, or undertakings with respect to such subject matters other than those set forth or referred to herein.

22. **Modification.** No supplement, modification or amendment to this Settlement Agreement shall be binding or effective unless executed in writing and signed by the party against whom enforcement of any such modification or change is or may be sought.

23. **Successors and Assigns.** This Settlement Agreement is binding upon and inures to the benefit of the Parties and their respective parents, subsidiaries, directors, officers, agents, employees, stockholders, heirs, executors, administrators, legal representatives, predecessors, successors and assigns.

24. **Counterparts.** This Settlement Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be the same agreement.

25. **Governing Law and Venue.** This Settlement Agreement is entered into and shall be governed, construed, and interpreted in accordance with the substantive and procedural laws and rules of the State of Maryland, regardless of that State's conflict of laws rules. In addition, any action brought to enforce the provisions of this Settlement Agreement shall be commenced, prosecuted, and defended exclusively in the state or federal courts of the State of Maryland.

IN WITNESS WHEREOF, the Parties have executed this Settlement Agreement and Release as of the day and year first above written.

CORSAIR SPECIAL SITUATIONS FUND, L.P.

By:

Charles E. Cheever (seal)
(please print)

Signature:

Charles E. Cheever
Managing Member of LP

Title:

May 9, 2007
Date

ENGINEERED FRAMING SYSTEMS, INC.

By:

_____(seal)
(please print)

Signature:

Title:

_____, 2007
Date

promises, representations, warranties, agreements, understandings, or undertakings with respect to such subject matters other than those set forth or referred to herein.

22. **Modification.** No supplement, modification or amendment to this Settlement Agreement shall be binding or effective unless executed in writing and signed by the party against whom enforcement of any such modification or change is or may be sought.

23. **Successors and Assigns.** This Settlement Agreement is binding upon and inures to the benefit of the Parties and their respective parents, subsidiaries, directors, officers, agents, employees, stockholders, heirs, executors, administrators, legal representatives, predecessors, successors and assigns.

24. **Counterparts.** This Settlement Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be the same agreement.

25. **Governing Law and Venue.** This Settlement Agreement is entered into and shall be governed, construed, and interpreted in accordance with the substantive and procedural laws and rules of the State of Maryland, regardless of that State's conflict of laws rules. In addition, any action brought to enforce the provisions of this Settlement Agreement shall be commenced, prosecuted, and defended exclusively in the state or federal courts of the State of Maryland.

IN WITNESS WHEREOF, the Parties have executed this Settlement Agreement and Release as of the day and year first above written.

CORSAIR SPECIAL SITUATIONS FUND, L.P.

By: _____ (seal)
(please print)

Signature: _____

Title: _____

2007
Date

ENGINEERED FRAMING SYSTEMS, INC.

By: _____ (seal)
(please print)

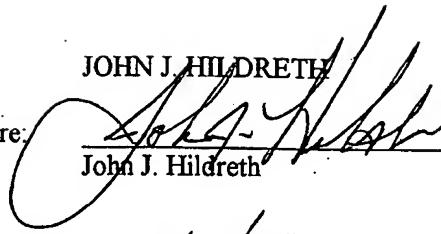
Signature: _____

Title: _____

2007
Date

JOHN J. HILDRETH

Signature:



(seal)

John J. Hildreth

Date



2007

MARIE NOELLE HILDRETH

Signature:

(seal)

Marie Noelle Hildreth

Date

2007

EFS STRUCTURES, INC.

By:

(seal)

(please print)

Signature:



Title:



2007

Date

JOHN J. HILDRETH

Signature: _____ (seal)
John J. Hildreth

_____, 2007
Date

MARIE NOELLE HILDRETH

Signature: Marie Noelle Hildreth (seal)
Marie Noelle Hildreth

_____, May 8, 2007
Date

EFS STRUCTURES, INC.

By: _____ (seal)
(please print)

Signature: _____

Title: _____

_____, 2007
Date

JOHN J. HILDRETH

Signature: John J. Hildreth (seal)

Date _____, 2007

MARIE NOELLE HILDRETH

Date _____, 2007

EFS STRUCTURES, INC.

By: ROBERT CONDON (seal)
(please print) 1

Signature: *Robert London*

Title: PRESIDENT

Title: RENT
Date: MAY 9 2007

384995.1

, 2007

Date

EFS STRUCTURES, INC.

By:

(seal)

ROBERT London

(please print)

Signature:

Robert London

Title:

President

, 2007

Date

STATE OF _____)
) TO WIT:
COUNTY OF _____)

I HEREBY CERTIFY, that on this 9th day of April, 2007, before me, the undersigned Notary Public of the State of NY, personally appeared Charles E. Chazzer, who acknowledged his self to be the Managing Member of CORSAIR SPECIAL SITUATIONS FUND, L.P., known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, and acknowledged that _____ executed the same for the purposes therein contained as the duly authorized _____ of said company by signing the name of the company by _____ self as _____.

AS WITNESS my hand and Seal.


NOTARY PUBLIC

My Commission Expires: 3 - 26 - 2011

Avery Blaney
NOTARY PUBLIC, STATE OF NEW YORK
No. 01BL6163606
Qualified in New York County
Commission Expires 03/26/2011

STATE OF New Jersey)
COUNTY OF Hudson)

TO WIT:

I HEREBY CERTIFY, that on this 8th day of May, 2007, before me, the undersigned Attorney ~~Notary Public~~ of the State of New Jersey, personally appeared John Hildebran, who acknowledged himself to be the President of ENGINEERED FRAMING SYSTEMS, INC., known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same for the purposes therein contained as the duly authorized President of said company by signing the name of the company by himself as President.

AS WITNESS my hand and Seal.

Ronald L. O'Brien
NOTARY PUBLIC
An Attorney At Law of N.J.

My Commission Expires: NA

STATE OF New Jersey)
)
COUNTY OF Middlesex)
)

TO WIT:

I HEREBY CERTIFY, that on this 24th day of April, 2007, before me, the undersigned Notary Public of the State of New Jersey personally appeared Robert Good, who acknowledged him self to be the President of EFS STRUCTURES, INC., known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, and acknowledged that _____ executed the same for the purposes therein contained as the duly authorized President of said company by signing the name of the company by himself as President.

AS WITNESS my hand and Seal.

Vitalina A. Valerio

NOTARY PUBLIC

My Commission Expires: _____

Vitalina A Valerio
Notary Public
State of New Jersey
My Commission Expires 04-09-2012

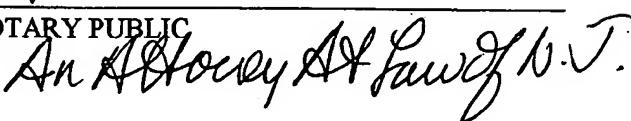
STATE OF New Jersey)
COUNTY OF Bergen)

TO WIT:

I HEREBY CERTIFY, that on this 8th day of May 2007, before me, the undersigned Notary Public of the State of New Jersey, personally appeared John J. Hildreth, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument.

AS WITNESS my hand and Seal.



NOTARY PUBLIC

An Attorney at Law of N.J.

My Commission Expires: NA

STATE OF _____)
COUNTY OF _____) TO WIT:

I HEREBY CERTIFY, that on this _____ day of April, 2005, before me, the undersigned Notary Public of the State of _____, personally appeared Marie Noelle Hildreth, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument.

AS WITNESS my hand and Seal.

NOTARY PUBLIC

My Commission Expires: _____

STATE OF _____)
) TO WIT:
COUNTY OF _____)

I HEREBY CERTIFY, that on this _____ day of April, 2007, before me, the undersigned Notary Public of the State of _____, personally appeared John J. Hildreth, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument.

AS WITNESS my hand and Seal.

NOTARY PUBLIC

My Commission Expires: _____

STATE OF New Jersey)
) TO WIT:
COUNTY OF Hudson)

I HEREBY CERTIFY, that on this 8th day of MAY, 2007, before me, the undersigned Attorney Notary Public of the State of New Jersey personally appeared Marie Noelle Hildreth, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument.

AS WITNESS my hand and Seal.

Ronald L. John
NOTARY PUBLIC

My Commission Expires: NA

An Attorney At Law of N.J.

Attachment B

First Amendment to Settlement Agreement and General Release;

And

Patent Security Agreement

**FIRST AMENDMENT TO SETTLEMENT
AGREEMENT AND GENERAL RELEASE**

THIS FIRST AMENDMENT TO SETTLEMENT AGREEMENT AND GENERAL RELEASE ("First Amendment"), is made and entered into this ____ day of December, 2007, by and between, CORSAIR SPECIAL SITUATIONS FUND, L.P., for itself and its directors, officers, shareholders, employees, predecessors, successors, assigns, affiliates and agents (collectively "Corsair"), ENGINEERED FRAMING SYSTEMS, INC., for itself and its directors, officers, shareholders, employees, predecessors, successors, assigns, affiliates and agents (collectively "Engineered"), John J. Hildreth and Marie Noelle Hildreth (John J. Hildreth and Marie Noelle Hildreth jointly and collectively, individually and severally the "Hildreths") and EFS STRUCTURES, INC., for itself and its directors, officers, shareholders, employees, predecessors, successors, assigns, affiliates and agents (collectively, "Structures") (collectively all signatories are referred to as the "Parties").

RECITALS

1. The Parties entered into a Settlement Agreement and General Release dated May 8, 2007 (the "Settlement Agreement").
2. The Settlement Agreement expressly required Engineered, the Hildreths and Structures to cause to be made to Corsair certain payments as more particularly described in § 4 of the Settlement Agreement.
3. Engineered, the Hildreths and Structures have made efforts to timely pay to Corsair each of the amounts set forth in § 4 of the Settlement Agreements, but have been delayed in making the \$75,000 payment due on July 15, 2007 and the \$4,800,000 payment due on September 1, 2007.
4. In order to avoid a declaration of default under the Settlement Agreement, and in order to give Engineered, the Hildreths and Structures additional time to raise the funds necessary to conclude this settlement, Engineered, the Hildreths and Structures have agreed to enter into this Amendment which alters the payment terms set forth in the Settlement Agreement and provides additional security to Corsair.
5. Engineered, the Hildreths and Structures are in need of obtaining interim financing in the form of accounts receivable financing, inventory or other asset based or similar financing. In exchange for the additional collateral security provided hereunder by John J. Hildreth, Corsair is amenable to providing a subordination of their position against the assets of EFS Structure to an interim lender under the terms set forth below.

6. All the terms and conditions set forth in the Settlement Agreement that are not expressly and specifically altered by this Amendment shall remain in full force and effect in accordance with their original terms.

AMENDMENTS

NOW THEREFORE, in consideration of the mutual covenants contained herein and other good and sufficient consideration, the receipt of which is hereby acknowledged, and the foregoing Recitals, the Parties agree to the following amended terms of settlement.

1. (a) Payment. The payment terms set forth in § 4 of the Settlement Agreement are amended as follows:

| <u>Amount</u> | <u>Original Due Date</u> | <u>Amended Due Date</u> |
|---------------|--------------------------|-------------------------|
| \$75,000 | July 15, 2007 | January 31, 2008 |
| \$75,000 | n/a | February 28, 2008 |
| \$75,000 | n/a | March 31, 2008 |
| \$75,000 | n/a | April 30, 2008 |
| \$75,000 | n/a | May 31, 2008 |
| \$4,500,000 | September 1, 2007 | June 30, 2008 |

(b) Subordination. Corsair agrees to subordinate its lien position from time to time on terms which shall be fully satisfactory to Corsair in its sole discretion, which agreement will not be unreasonably withheld, to enable EFS to obtain receivable/factoring financing expressly provided that, Corsair will receive ten (10) percent on the initial receivable/factoring financing and twenty-five (25) percent of the proceeds obtained by EFS from any subsequent receivable/factoring financing (the "New Loan Proceeds Payments") to which Corsair agrees to subordinate (the "New Loan"). EFS shall use the balance of the proceeds from the New Loan for working capital for its business to stabilize the company and permit long term replacement financing in order to pay off Corsair and other creditors. The New Loan Proceeds Payments when paid to Corsair (if paid on or before January 31, 2008) shall be credited to the \$75,000 payment due January 31, 2008 as set forth above, and the balance of the New Loan Proceeds Payment (if any) in excess of \$75,000 shall be applied by Corsair to reduce the balloon payment due on June 30, 2008. Any other payments that are made after January 31, 2008 will be credited to the payment of the balloon payment due on June 30, 2008.

2. **Additional Collateral.** On November 27, 2007, John Hildreth received patent no. 7,299,596 issued by the United States Patent and Trademark office for patent application 10/828,350, filed on April 21, 2004 (the "Patent").

a. For good, valuable and sufficient consideration, John J. Hildreth hereby grants to Corsair a security interest in all rights, title and interest in and to the Patent and to any and all inventions and improvements described or claimed in the Patent, any and all foreign applications or filings of the Patent, all licenses, royalties, damages, claims and payments now or hereafter due and/or payable under or with respect to the Patent including, without limitation, damages and payments for past and future infringements of the Patent (the "Intellectual Property") as collateral security for prompt payment of Engineered's present indebtedness as defined in the Settlement Agreement all as more fully set forth in a Patent Security Agreement of even date herewith from John J. Hildreth in favor of Corsair, a copy of which is set forth on Exhibit A which shall be executed simultaneously with this Amendment.

b. The foregoing security interest is a present grant of a security interest and only upon the occurrence of the non-payment of any of the settlement amounts due under the Settlement Agreement as amended hereby, or any other default under the Settlement Agreement shall the security interest become an absolute assignment to Corsair or others, and Corsair is hereby granted an irrevocable power of attorney to so designate such absolute assignment on the records of the U.S. Patent and Trademark Office upon any such default.

c. John J. Hildreth hereby agrees to execute and deliver to Corsair such supplemental documents, including the document attached hereto as Exhibit A that will be filed with the United States Patent and Trademark Office, and cooperate with Corsair in taking all action required by Corsair to have a perfected security interest or lien on the Patent and other Intellectual Property.

3. John J. Hildreth hereby covenants, represents and warrants to Corsair that he has good and marketable title to the Patent and other Intellectual Property, free and clear of any and all lien, pledge, hypothecation, assignment, encumbrance, security Agreement or preferential arrangement of any kind or nature whatsoever.

4. Except as expressly stated in § 6 herein, John J. Hildreth hereby agrees that he has not, and will not offer, encumber, pledge, assign, or otherwise use, the Patent or other Intellectual Property as collateral or security for any loan, financial obligation, or any other purpose without Corsair's express written consent, which shall not be unreasonably withheld. The Parties understand and agree that Corsair's approval shall be based upon an affirmative and express written representation to Corsair that the proposed loan or other financial obligation to be secured by the Patent and other Intellectual Property shall be used, at least in part, to satisfy the payment obligations set forth in § 1 above.

5. **Default.**

a. In the event of non-payment of monies due per this First Amendment, Corsair shall notify Engineered, Structures and the Hildreths in writing by Certified Mail: Return Receipt Requested at the addresses listed in 4(b) below. Upon receipt of said Notices, Engineered Structures and the Hildreths shall have ten (10) business days from the date of receipt to cure said non-payment. In the event that Engineered, Structures and the Hildreths do not cure the non-payment within the ten (10) business days of their receipt of Notice of non-payment, Corsair shall be entitled to declare Default. The Default does not take effect until the expiration of the ten (10) business day period, provided however that upon the occurrence of: (i) any filing by or against any of the Hildreths or Structures under the U.S. Bankruptcy laws or under any state insolvency laws, (ii) the appointment of a Receiver or its equivalent for any of them, (iii) a judgment entered against any of them which results in any enforcement action, (iv) any acceleration of the New Loan (if one is in existence), (v) any failure to be in compliance with the provisions of paragraphs 9 and 10 below, (vi) any other defaults under the Settlement Agreement not referred to in this section above, then in any such event such shall result in an immediate Default hereunder without any notice or cure or waiting period being applicable.

b. Notice hereunder to be given by certified mail return receipt requested or by overnight commercial express mail service as follows: Engineered c/o Tobia & Sorger Esqs., LLC, 500 Supor Boulevard, Harrison, NJ 07029; Structures, 4501 Curtis Avenue, Building 1, Baltimore, MD 21226; John J. Hildreth and/or Marie Noelle Hildreth, 7811 Fieldstone Court, Ellicott City, MD 21043. If to Corsair, 38th Floor, 747 Third Avenue, New York, NY 10017.

6. John J. Hildreth will not enter into any license agreements other than exclusive license installer agreements for the erection of the EFS system in specific geographic areas as performed in the ordinary course of business and which shall be on terms which shall not be materially adverse to Corsair's interests. John J. Hildreth shall deliver to Corsair 50 % of any licensing fees he may receive, immediately upon receipt of such payments. Such payment(s) shall first be applied by Corsair to reduce and/or eliminate the next scheduled payment set forth in § 1(a), and second to reduce the balloon payment due on June 30, 2008.

7. John J. Hildreth hereby covenants and agrees to maintain the Patent and Intellectual Property in full force and effect until all of the payment obligations set forth in the Settlement Agreement as amended by this First Amendment are satisfied in full.

8. **Patent Expenses.** If John J. Hildreth fails to comply with any of his obligations hereunder in any material respect, Corsair may (but shall not be required to) do so in John J. Hildreth's name or in Corsair's name, but at John J. Hildreth's expense, and each of the Hildreths, Engineered and Structures agree to reimburse and indemnify Corsair in full for all reasonable expenses, including reasonable attorneys' fees, incurred by Corsair in protecting, defending and maintaining the Patent and other Intellectual Property and John J. Hildreth grants Corsair an irrevocable power of attorney for the purpose of effectuating any such action.

9. John J. Hildreth shall, within ten (10) calendar days following the end of each month, provide to Corsair a list of any licenses of the Patent which may then be in effect and a copy of any licensing agreements pertaining thereto, the balance sheet, statements of income (including licensing fees), and executed contracts and/or purchase orders (or similar orders for the purchase of materials and/or services from Engineered or Structured) for Engineered, Structures, and any other entity in which either of the Hildreths owns an interest and/or performs services as an officer or member of management. Failure to timely provide the balance sheets, statements of income and executed contracts and/or purchase orders shall be deemed a Default under the terms of the Default provision herein.

10. Delivery of Commitment Letter and Loan Documents.

Engineered, Structures and the Hildreths agree to produce to Corsair a bona fide commitment letter from a third-party lender or investor on or before January 31, 2008, reflecting a commitment on the part of the third-party lender or investor to fund, at a minimum, the final payment due under this First Amendment. Engineered, Structures and the Hildreths further agree to produce draft loan documents or documents reflecting a binding agreement to invest in Engineered or Structures on or before February 28, 2008. Failure to provide the foregoing shall be a Default hereunder.

11. All remaining terms and conditions set forth in the Settlement Agreement, including additional terms and conditions set forth in § 4 of the Settlement Agreement, remain in full-force and effect.

IN WITNESS WHEREOF, the Parties have executed this First Amendment to Settlement Agreement and General Release as of the day and year first above written.

CORSAIR SPECIAL SITUATIONS FUND, L.P.

By: Charles E. Cheever (seal)
(please print)

Signature: CEC Cheever

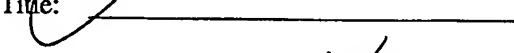
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Jan 9, 2008

ENGINEERED FRAMING SYSTEMS, INC.

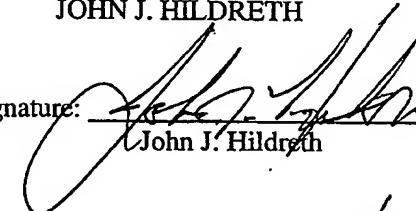
By: _____ (seal)
(please print)

Signature: 

Title: 

12/20, 2007

JOHN J. HILDRETH

Signature: 
(seal)
John J. Hildreth

12/20, 2007

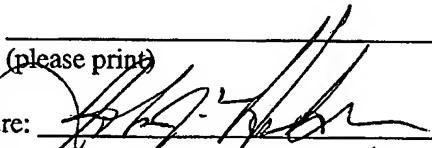
Date

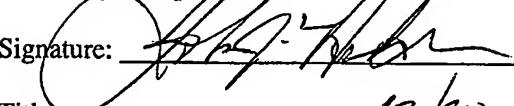
Signature:
(seal)
Marie Noelle Hildreth

12/20, 2007

Date

EFS STRUCTURES, INC.

By: 
(please print) 

Signature: 

12/20, 2007

Date

STATE OF _____)
))
COUNTY OF _____))

TO WIT:

I HEREBY CERTIFY, that on this 9th day of April, 2007, before me, the
undersigned Notary Public of the State of N Y, personally appeared Charles.
Cheever, who acknowledged himself to be the _____ of CORSAIR
SPECIAL SITUATIONS FUND, L.P., known to me (or satisfactorily proved) to be the
person whose name is subscribed to the within instrument, and acknowledged that _____
_____ executed the same for the purposes therein contained as the duly authorized He.
_____ of said company by signing the name of the company by _____ self as

AS WITNESS my hand and Seal.



NOTARY PUBLIC

My Commission Expires: 3-26-2011

Avery Blaney
NOTARY PUBLIC, STATE OF NEW YORK
No. 01BL6163606
Qualified in New York County
Commission Expires 03/26/2011

STATE OF Maryland)
COUNTY OF Queen Anne's)

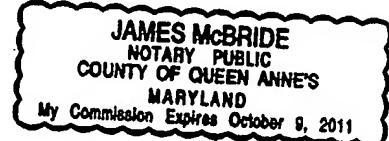
TO WIT:

I HEREBY CERTIFY, that on this 20 day of ^{December} April, 2007, before me, the undersigned Notary Public of the State of Maryland, personally appeared John Hivner, who acknowledged him self to be the President of ENGINEERED FRAMING SYSTEMS, INC., known to me (or satisfactorily proved) to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same for the purposes therein contained as the duly authorized President of said company by signing the name of the company by him self as President.

AS WITNESS my hand and Seal.


NOTARY PUBLIC

My Commission Expires: 10/09/2011



STATE OF Maryland)
COUNTY OF Queen Anne's)

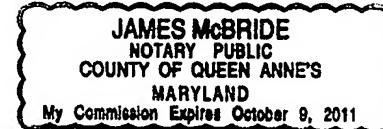
TO WIT:

I HEREBY CERTIFY, that on this 20 day of ^{December} April, 2007, before me, the undersigned Notary Public of the State of Maryland, personally appeared John Hillcrest, who acknowledged himself to be the General Manager of EFS STRUCTURES, INC., known to me (or satisfactorily proved) to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same for the purposes therein contained as the duly authorized General Manager of said company by signing the name of the company by him self as General Manager.

AS WITNESS my hand and Seal.


NOTARY PUBLIC

My Commission Expires: 10/09/2011

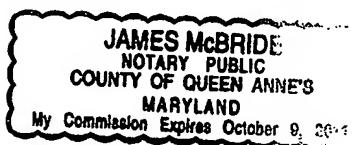


STATE OF Maryland)
COUNTY OF Queen Anne's)

TO WIT:

I HEREBY CERTIFY, that on this 20 day of April, 2007, before me, the undersigned Notary Public of the State of Maryland, personally appeared John J. Hildreth, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument.

AS WITNESS my hand and Seal.



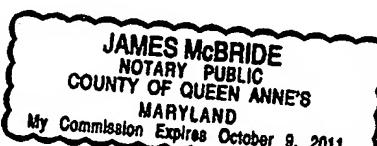

NOTARY PUBLIC

STATE OF Maryland)
COUNTY OF Queen Anne's)

TO WIT:

I HEREBY CERTIFY, that on this 20 day of April, 2007, before me, the undersigned Notary Public of the State of Maryland, personally appeared Marie Noelle Hildreth, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument.

AS WITNESS my hand and Seal.




NOTARY PUBLIC

PATENT SECURITY AGREEMENT

This Agreement, dated as of December 20th, 2007 is made by and between John Hildreth having a residence at the address set forth below next to his signature (the "Borrower"), and Corsair Special Situations Fund, L.P. a Delaware limited partnership having a business location at the address set forth below next to its signature (the "Secured Party").

Recitals

The Borrower, the Secured Party, and others are parties to a Settlement Agreement and General Release dated May 8, 2007, as amended by the First Amendment to the Settlement Agreement of even date herewith (as the same may hereafter be amended, supplemented or restated from time to time, the "Settlement Agreement") setting forth the terms on which the Borrower shall repay its obligations to the Secured Party.

As a condition to entering into the Settlement Agreement with the Borrower, the Secured Party has among other things required the execution and delivery of this Agreement by the Borrower.

ACCORDINGLY, in consideration of the mutual covenants contained in the Loan Documents and herein, the parties hereby agree as follows:

1. Definitions. All terms defined in the Recitals hereto or in the Settlement Agreement that are not otherwise defined herein shall have the meanings given to them therein. In addition, the following terms have the meanings set forth below:

"Obligations" means each and every debt, liability and obligation of every type and description which the Borrower may now or at any time hereafter owe to the Secured Party, whether such debt, liability or obligation now exists or is hereafter created or incurred and whether it is or may be direct or indirect, due or to become due, absolute or contingent, primary or secondary, liquidated or unliquidated, independent, joint, several or joint and several.

"Patents" means all of the Borrower's right, title and interest in and to all presently existing or hereafter arising or acquired and patents or applications for patents, including without limitation the patents listed on Exhibit A attached hereto, and further including, without limitation, (a) to or under any or all of the foregoing the foregoing (i) any and all inventions and improvements described or claimed, (ii) divisions, continuations, continuations-in-part, reissues and extensions, (iii) income, royalties, damages, claims and payments now or hereafter due and/or payable, including, without limitation, damages and payments for past and future infringements, (iv) rights to sue for past, present and future infringements, and (v) all rights corresponding to any of the foregoing throughout the world, and (b) with

respect to or under any or all of the foregoing, all general intangibles, and (c) with respect to or under any or all of the foregoing, all proceeds (cash and noncash).

“Security Interest” has the meaning given in Section 2 herein below.

2. Security Interest. The Borrower hereby irrevocably pledges and assigns to, and grants the Secured Party a security interest (the “Security Interest”) with power of sale to the extent permitted by law, in the Patents whether or not registered with the U.S. Patent and Trademark Office to secure payment of the Obligations. As set forth in the Settlement Agreement, the Security Interest is coupled with a security interest in substantially all of the personal property of the Borrower. This Agreement grants only the Security Interest herein described, is not intended to and does not affect any present transfer of title of any patent or application.

3. Representations, Warranties and Agreements. The Borrower represents, warrants and agrees as follows:

(a) **Patents.** Exhibit A accurately lists all Patents owned or controlled by the Borrower as of the date hereof, or to which the Borrower has a right as of the date hereof to have assigned to it, and accurately reflects the existence and status of applications and letters patent pertaining to the Patents as of the date hereof. If after the date hereof, the Borrower owns, controls or has a right to have assigned to it any Patents not listed on Exhibit A, or if Exhibit A ceases to accurately reflect the existence and status of applications and letters patent pertaining to the Patents, then the Borrower shall within five (5) business days provide written notice to the Secured Party with a replacement Exhibit A, which upon acceptance by the Secured Party shall become part of this Agreement.

(c) **Title.** The Borrower has absolute title to each Patent listed on Exhibit A free and clear of all liens other than the liens granted to Secured Party. The Borrower (i) will have, at the time the Borrower acquires any rights in Patents hereafter arising, absolute title to each such Patent free and clear of all liens except the liens granted to Secured Party, and (ii) will keep all Patents free and clear of all liens except the liens granted to Secured Party.

(f) **No Sale.** Except as permitted in the Settlement Agreement, the Borrower will not assign, transfer, encumber or otherwise dispose of the Patents, or any interest therein, without the Secured Party’s prior written consent, except that the Borrower may license the use of the Patents in connection with, and as customary in, the ordinary course of its business.

(g) **Defense.** The Borrower will at its own expense and using commercially reasonable efforts, protect and defend the Patents against all claims or demands of all Persons.

(h) Maintenance. The Borrower will at its own expense maintain the Patents, including, but not limited to, filing all applications to obtain letters patent or registrations and all affidavits, maintenance fees, annuities, and renewals possible with respect to letters patent registrations and applications therefore. The Borrower covenants that it will not abandon nor fail to pay any maintenance fee or annuity due and payable on any Patent, nor fail to file any required affidavit or renewal in support thereof, and (ii) a Secured Party is hereby granted an irrevocable power of attorney to pay such maintenance fees or annuities, or to file such affidavit or renewal, should Borrower fail to do so and should Secured Party (in its sole reasonable discretion) deem such be necessary or desirable.

(i) Secured Party's Right to Take Action. If the Borrower fails to perform or observe any of its covenants or agreements set forth in this Section 3, or if the Borrower notifies the Secured Party that it intends to abandon a Patent or Trademark, the Secured Party may (but need not) perform or observe such covenant or agreement or take steps to prevent such intended abandonment on behalf and in the name, place and stead of the Borrower (or, at the Secured Party's option, in the Secured Party's own name) and may (but need not) take any and all other actions which the Secured Party may reasonably deem necessary to cure or correct such failure or prevent such intended abandonment.

(j) Costs and Expenses. Except to the extent that the effect of such payment would be to render any loan or forbearance of money usurious or otherwise illegal under any applicable law, the Borrower shall pay the Secured Party on demand the amount of all moneys expended and all costs and expenses (including reasonable attorneys' fees and disbursements) incurred by the Secured Party in connection with or as a result of the Secured Party's taking action under subsection (i) above, together with interest thereon from the date expended or incurred by the Secured Party.

(k) Power of Attorney. To facilitate the Secured Party's taking action under subsection (i) and exercising its rights under Section 6 and otherwise, the Borrower hereby irrevocably appoints (which appointment is coupled with an interest) the Secured Party, or its delegate, as the attorney-in-fact of the Borrower with the right (but not the duty) from time to time to create, prepare, complete, execute, deliver, endorse or file, in the name and on behalf of the Borrower, any and all instruments, documents, applications, financing statements, and other agreements and writings required to be obtained, executed, delivered or endorsed by the Borrower under this Section 3, or, necessary for the Secured Party, after a Default under the Settlement Agreement or Event of Default hereunder, to enforce or use the Patents or to grant or issue any exclusive or non-exclusive license under the Patents to any third party, or to sell, assign, transfer, pledge, encumber or otherwise transfer title in or dispose of the Patents to any third party. The Borrower hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. The power of attorney granted herein shall terminate upon the termination of the Settlement Agreement as

provided therein and the indefeasible payment and performance in full of all Obligations as defined under the Settlement Agreement.

4. Borrower's Use of the Patents. The Borrower shall be permitted to control and manage the Patents, including the right to exclude others from making, using or selling items covered by the Patents and any licenses thereunder (but not in any manner which is materially adverse to the interests of the Secured Party), so long as no Event of Default occurs and remains uncured.

5. Events of Default. Each of the following occurrences shall constitute an event of default under this Agreement (herein called "Event of Default"): (a) a default shall occur and be continuing under the Settlement Agreement; or (b) the Borrower shall fail promptly to observe or perform any covenant or agreement herein binding on it and such failure continues for a period of 10 business days after receipt of notice as set forth in the First Amendment to Settlement Agreement and General Release; or (c) any of the representations or warranties contained in Section 3 shall prove to have been incorrect in any material respect when made.

6. Remedies. Upon the occurrence of an Event of Default and at any time thereafter, the Secured Party may, at its option, take any or all of the following actions:

(a) The Secured Party may exercise any or all remedies available under the Settlement Agreement.

(b) The Secured Party may sell, assign, transfer, pledge, license, or encumber or otherwise dispose of the Patents.

(c) The Secured Party may enforce the Patents and any licenses thereunder, and if Secured Party shall commence any suit for such enforcement, the Borrower shall, at the request of Secured Party, do any and all lawful acts and execute any and all proper documents required by Secured Party in aid of such enforcement.

7. Miscellaneous. This Agreement and the Settlement Agreement set forth the entire understanding and agreement of the parties hereto with respect to the subject matter hereof. This Agreement can be waived, modified, amended, terminated or discharged, and the Security Interest can be released, only explicitly in a writing signed by the Secured Party. A waiver signed by the Secured Party shall be effective only in the specific instance and for the specific purpose given. Mere delay or failure to act shall not preclude the exercise or enforcement of any of the Secured Party's rights or remedies. All rights and remedies of the Secured Party shall be cumulative and are in addition to, and not exclusive of, rights, powers and remedies provided by present and future laws, rules and regulations and/or by the Settlement Agreement and any other documents executed in connection therewith or the Obligations, and may be exercised singularly or concurrently, at the Secured Party's option, and the exercise or enforcement of any one such right or remedy shall neither be a condition to nor bar the exercise or enforcement of any other. All notices to be given to Borrower under this Agreement shall be given in the manner and with the

effect provided in the Settlement Agreement. The Secured Party shall not be obligated to preserve any rights the Borrower may have against prior parties, to realize on the Patents at all or in any particular manner or order, or to apply any cash proceeds of Patents in any particular order of application. This Agreement shall be binding upon and inure to the benefit of the Borrower and the Secured Party and their respective participants, successors and assigns and shall take effect when signed by the Borrower and delivered to the Secured Party, and the Borrower waives notice of the Secured Party's acceptance hereof. The Secured Party may execute this Agreement if appropriate for the purpose of filing, but the failure of the Secured Party to execute this Agreement shall not affect or impair the validity or effectiveness of this Agreement. A carbon, photographic or other reproduction of this Agreement or of any financing statement signed by the Borrower shall have the same force and effect as the original for all purposes of a financing statement. This Agreement shall be governed by the internal law of New York without regard to conflicts of law provisions. If any provision or application of this Agreement is held unlawful or unenforceable in any respect, such illegality or unenforceability shall not affect other provisions or applications which can be given effect and this Agreement shall be construed as if the unlawful or unenforceable provision or application had never been contained herein or prescribed hereby. All representations and warranties contained in this Agreement shall survive the execution, delivery and performance of this Agreement and the creation and payment of the Obligations.

8. WAIVER OF JURY TRIAL. THE PARTIES WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED ON OR PERTAINING TO THIS AGREEMENT.

IN WITNESS WHEREOF, the parties have executed this Patent Security Agreement as of the date written above.

7811 Fieldstone Court
Ellicott City, MD 21043

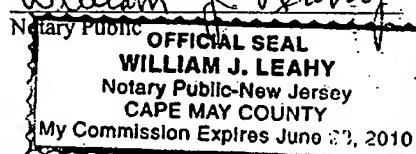
38th Floor
747 Third Avenue
New York, NY 10017

STATE OF New Jersey
COUNTY OF Cape May

I hereby certify the undersigned Notary Public of the State of New Jersey that personally appeared John J. Hildreth known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument foregoing instrument and was aexecuted before me this 20 day of December 2007.

STATE OF NEW YORK
COUNTY OF NEW YORK

The foregoing instrument was acknowledged before me this 21 day of December 2007, by Charles E Cheever a Managing Member of a Corsair Special Situations Fund, L.P. Delaware limited partnership, on behalf of the limited partnership



Avery Blaney
NOTARY PUBLIC, STATE OF NEW YORK
No. 01BL6163606
Qualified in New York County
Commission Expires 03/26/2011

EXHIBIT A
LIST OF US PATENTS

TITLE:

| PAT # | ISSUE DATE | APPLICATION # | FILING DATE |
|--------------|-------------------|----------------------|--------------------|
| 7,299,596 | November 27, 2007 | 10/828,350 | April 21, 2004 |

Attachment C

April 11, 2008 Default Letter

MILES & STOCKBRIDGE P.C.

Matthew S. Sturtz
(410) 823-8151
msturtz@milesstockbridge.com

April 11, 2008

VIA FEDERAL EXPRESS

Ronald L. Tobia, Esquire
Tobia & Sorger Esqs., LLC
500 Supor Boulevard
Harrison, New Jersey 07029

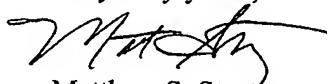
Re: *Corsair Special Situations Fund, L.P. v. Engineered Framing Systems, Inc.*

Dear Ron:

Despite my prior warnings, including my most recent letter to your office dated February 5, 2008, your clients have continued to overlook the affirmative obligations set forth in the Settlement Agreement and General Release dated May 8, 2007 and the First Amendment to Settlement Agreement and General Release dated December 20, 2007 (together, the "Settlement Agreement"). Engineered Framing Systems, Inc., EFS Structures, Inc., John J. Hildreth and Marie Noelle Hildreth are in material breach of the Settlement Agreement for, among other things, failure to make payment to Corsair Special Situations Fund, L.P. ("Corsair"), and failure to deliver a bona fide commitment letter from a third-party lender or investor. Pursuant to section 5(a) of the First Amendment to Settlement Agreement and General Release, you are hereby given notice that your clients' defaults must be cured within ten (10) business days from receipt of this letter.

Corsair hereby reserves any and all rights under the Settlement Agreement.

Very truly yours,



Matthew S. Sturtz

cc: John and Marie Noelle Hildreth (via Federal Express)
EFS Structures, Inc. (via Federal Express)
Mr. Charlie Cheever
Ancela Nastasi, Esquire
Robert S. Brennen, Esquire

Attachment D

Recorded Interests for Issued Patent 7299596

Recorded Interests for Issued Patent 7299596

Total Assignments: 5

| | | | | | | | |
|-----------------------|---|-----------|------------|----------------|----------|------------|------------|
| Patent #: | <u>7299596</u> | Issue Dt: | 11/27/2007 | Application #: | 10828350 | Filing Dt: | 04/21/2004 |
| Publication #: | <u>20050235594</u> | Pub Dt: | 10/27/2005 | | | | |
| Inventor: | John Hildreth | | | | | | |
| Title: FRAMING SYSTEM | | | | | | | |
| Assignment: 1 | | | | | | | |
| Reel/Frame: | <u>015741/0309</u> | Recorded: | 08/30/2004 | | Pages: | 3 | |
| Conveyance: | ASSIGNMENT OF ASSIGNORS INTEREST (SEE DOCUMENT FOR DETAILS). | | | | | | |
| Assignor: | <u>HILDRETH, JOHN</u> | | | | | | |
| Assignee: | <u>ENGINEERED FRAMING SYSTEMS</u> 8950 ROUTE 108 SUITE 228 COLUMBIA, MARYLAND 21045 | | | | | | |
| Correspondent: | SUPERVISOR, PATENT PROSECUTION SERVICES PIPER RUDNICK LLP 1200 NINETEENTH STREET, N.W. WASHINGTON, D.C. 20036-2412 | | | | | | |
| Assignment: 2 | | | | | | | |
| Reel/Frame: | <u>019969/0153</u> | Recorded: | 10/16/2007 | | Pages: | 2 | |
| Conveyance: | ASSIGNMENT OF ASSIGNORS INTEREST (SEE DOCUMENT FOR DETAILS). | | | | | | |
| Assignor: | <u>ENGINEERED FRAMING SYSTEMS</u> | | | | | | |
| Assignee: | <u>HILDRETH, JOHN</u> 7811 FIELDSTONE COURT ELLIOTT CITY, MARYLAND 21043 | | | | | | |
| Correspondent: | JAMES M. HEINTZ 500 8TH STREET NW DLA PIPER US LLP WASHINGTON, DC 20004 | | | | | | |
| Assignment: 3 | | | | | | | |
| Reel/Frame: | <u>020279/0916</u> | Recorded: | 12/26/2007 | | Pages: | 9 | |
| Conveyance: | SECURITY AGREEMENT | | | | | | |
| Assignor: | <u>HILDRETH, JOHN</u> | | | | | | |
| Assignee: | <u>CORSAIR SPECIAL SITUATIONS FUND, L.P.</u> 747 THIRD AVENUE 38TH FLOOR NEW YORK, NEW YORK 10017 | | | | | | |
| Correspondent: | MILES & STOCKBRIDGE P.C. 10 LIGHT STREET BALTIMORE, MD 21202 | | | | | | |
| Assignment: 4 | | | | | | | |
| Reel/Frame: | <u>021531/0036</u> | Recorded: | 05/22/2008 | | Pages: | 6 | |
| Conveyance: | ASSIGNMENT OF ASSIGNORS INTEREST (SEE DOCUMENT FOR DETAILS). | | | | | | |
| Assignor: | <u>HILDRETH, JOHN</u> | | | | | | |
| Assignee: | <u>CORSAIR SPECIAL SITUATIONS FUND, LP</u> 747 THIRD AVENUE - 38TH FLOOR NEW YORK, NEW YORK 10017 | | | | | | |
| Correspondent: | GIANNA JULIAN-ARNOLD MILES & STOCKBRIDGE P.C. 1751 PINNACLE DRIVE | | | | | | |

SUITE 500
MCLEAN, VIRGINIA 22102

Assignment: 5

Reel/Frame: 022597/0396 **Recorded:** 04/24/2009 **Pages:** 3
Conveyance: CONFIRMATORY PATENT SECURITY INTEREST
Assignor: HILDRETH, JOHN J. **Exec Dt:** 04/24/2009
Assignee: CORSAIR SPECIAL SITUATIONS FUND, L.P., A DELAWARE LIMITED PARTNERSHIP
747 THIRD AVENUE
38TH FLOOR
NEW YORK, NEW YORK 10017
Correspondent: PHILIP J. FORET
1500 MARKET STREET
SUITE 3500E
PHILADELPHIA, PA 19102

Attachment E

Assignment of Patent;

and

Affidavit of Charles E. Cheever

ASSIGNMENT OF PATENT

WHEREAS, John Hildreth, an individual (hereinafter referred to as "Assignor"), has invented certain new and useful improvements in "Framing system", having patent number 7,299,596; and in 11/944,836 filed on 11-26-2007 and PCT/US05/13485 filed on 04-21-2005, both of which claim the benefit of 10/828,350 (USP 7,299,596); and

WHEREAS, Corsair Special Situations Fund, LP, a United States company (hereinafter referred to as the "Assignee"), has a perfected security interest in 7,299,596, including without limitation, (a) any and all inventions and improvements described or claimed, (b) divisions, continuations, continuations-in-part, reissues and extensions, (c) all rights corresponding to any of the foregoing throughout the world; such security interest set forth within the First Amendment to Settlement Agreement and General Release executed on 12-20-2007 and within the Patent Security Agreement executed on 12-20-2007; such security interest recorded 12-26-2007, Reel/Frame: 020279/0916;

WHEREAS, John Hildreth and Engineered Framing Systems, Inc. are in material breach of said First Amendment to Settlement Agreement and General Release and said Patent Security Agreement for *inter alia* failure to make payment to Assignee and failure to deliver a bona fide commitment letter from a third party lender or investor;

WHEREAS, Assignee is desirous of acquiring the rights, title and interest in and to said patent and said patent application(s) within the United States and its territorial possessions and all foreign countries and any United States or foreign patents that may be granted therefore.

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, and with the intention of being legally bound hereby, Assignor does hereby sell, assign, transfer and set over unto Assignee all of Assignor's rights, title and interest in and to the aforementioned patent applications, and in and to any patents of the United States and all foreign countries that may be granted therefor, including all divisions, continuations, continuations-in-part, substitutes, patents of addition, reissues, reexaminations, renewals, and extensions thereof, and the right to apply for patents in foreign countries with full benefit of such priorities as may now or hereafter be granted to the Assignor by local laws or by treaty, including any international convention for the protection of industrial property, together with the right to extend the protection of said United States patents to the various territorial, possessions now owned or which may be hereafter acquired by the United States of America, all said rights to be held and enjoyed by the Assignee for its use and benefit and for the use and benefit of its successors or assigns, to the full end of the term for which said patents are or may be granted, as fully and entirely as the same would have been held and enjoyed by Assignor if this Assignment and sale had not been made. Assignor hereby requests and authorizes the United States Commissioner of Patents and Trademarks, and any officials of foreign countries whose duty it is to issue patents on applications as aforesaid, to issue all said patents, when granted, in accordance with the terms of this Assignment.

Assignor further sells, assigns and transfers to Assignee, its successors and assigns, all of Assignor's rights to sue for and to recover and retain all damages and profits arising from past infringements or unauthorized use of any such patent, or unpaid royalties with respect to use of any such patent, occurring before the date of this Assignment.

Assignor further agrees that, when requested, the Assignor will, without demanding any further consideration therefor but at the expense of the Assignee, do all lawful and just acts,

including the execution and acknowledgement of instruments, that may be or become necessary for obtaining, sustaining, reexamining or reissuing United States or foreign patents for the inventions and patent applications, and for maintaining and perfecting the Assignee's right to the patents and patent applications particularly in cases of interference and litigation.

John Hildreth, Assignor

Executed By: Charles E. Cheever pursuant to Attachment A.

Signature: Charles E. Cheever

Title: Managing Member of General Partner of Corsair Special Situations Fund, LP

Date: May 16, 2008

Corsair Special Situations Fund, LP, Assignee

Executed By: Ronald Buck

Signature: Ronald Buck

Title: Managing Member of General Partner of Corsair Special Situations Fund, LP

Date: 5/16/08

ATTACHMENT A
AFFIDAVIT OF CHARLES E. CHEEVER

1. My name is Charles E. Cheever and I am currently a Managing Member of Corsair Holdings, LLC, which is the general partner of Corsair Special Situations Fund, L.P. ("Corsair"), a United States company.
2. Corsair has a perfected security interest in USP 7,299,596, including without limitation, (a) any and all inventions and improvements described or claimed, (b) divisions, continuations, continuations-in-part, reissues and extensions, (c) all rights corresponding to any of the foregoing throughout the world.
3. The aforementioned security interest was set forth within the First Amendment to Settlement Agreement and General Release executed on 12-20-2007 and within the Patent Security Agreement executed on 12-20-2007.
4. The aforementioned security interest was recorded 12-26-2007, Reel/Frame: 020279/0916.
5. John Hildreth and Engineered Framing Systems, Inc. are in material breach of said First Amendment to Settlement Agreement and General Release and said Patent Security Agreement for *inter alia* failure to make payment to Assignee and failure to deliver a bona fide commitment letter from a third party lender or investor.
6. A notice letter advising as to the material breach and providing ten (10) business days from the receipt of the letter to cure was sent by Matthew S. Sturtz of Miles & Stockbridge PC to Ronald Tobia, Esquire, John and Marie Hildreth, and EFS Structures, Inc. on April 11, 2008.
7. The material breaches have not been cured.
8. Section 3(k) of the Patent Security Agreement provides Corsair with Power of Attorney. Section 3(k) reads as follows:

Power of Attorney. To facilitate the Secured Party's taking action under subsection (i) and exercising its rights under Section 6 and otherwise, the Borrower hereby irrevocable appoints (which appointment is coupled with an interest) the Secured Party, or its delegate, as the attorney-in-fact of the Borrower with the right (but not the duty) from time to time to create, prepare, complete execute, deliver, endorse or file, in the name and on behalf of the Borrower, any and all instruments, documents, applications, financing statements, and other agreements and writing required to be obtained, executed, delivered or endorsed by the Borrower under this Section 3, or necessary for the Secured Party, after a Default under the Settlement Agreement or Event of Default hereunder, to enforce or use the Patents or to grant or issue any exclusive or non-exclusive license under the Patents to any third party, or to sell, assign, transfer, pledge, encumber or otherwise transfer title in or dispose of the Patents to any third party. The Borrower hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. The power of attorney granted herein shall terminate upon the termination of the Settlement Agreement as

provided therein and the indefeasible payment and performance in full of all Obligations as defined under the Settlement Agreement."

9. I swear or affirm that the above statements are true and correct to the best of my knowledge and acknowledge that willful false statements or the like are punishable by fine and imprisonment under 18 U.S.C. 1001.

May 16, 2008
Date

Charles E. Cheever
Name: Charles E. Cheever
Address: 747 Third Avenue
38th Floor
New York, New York 10017

State of New York
County of Manhattan

Subscribed and sworn to (or affirmed) before me this 16 day of May 2008, by
Charles Webster.

Cr Chev
Signature of Notary Public

CHARLES WEBSTER
Notary Public, State of New York
No. 01WE6163277
Qualified in Queens County
Commission Expires 3/19/2011